

**Application number:** 09/396005

**Art Unit:** 3621

**Applicant:** Khai Hee Kwan

**Examiner:** James A Reagan

**Title:** Method, apparatus and program to make payment in any currencies through a communication network system using prepaid cards

Remarks

5 The applicant refers to paragraph (para) 5 of the Final Action Letter at page 2 under the heading “ RESPONSE TO ARGUMENTS”. The applicant respectfully acknowledge the examiner’s various citation for establishing obviousness but legal citation by itself is no substituted for overcoming the applicant’s rebuttal as per 03 July 2006.

10 In particular, the applicant had previously submitted that there is no suggestion to combine the references in response to the examiner’s earlier reliance on teaching that is generally available to the one skilled in the ordinary art. (see page 3 of Final)

It is NOT known in the Action Letter mailed 18 May 2006 that the examiner had relied  
15 on knowledge generally available to one of ordinary skill in the art as far as the main independent claims 13,34,39 are concerned. In fact, the examiner in that occasion asserted Jennings provides direct support to Rosen’s disclosure which in rebuttal, the applicant counter by showing that both prior arts could not be combined because Rosen explicitly teaches such exchanges is without the intermediation of the banking system.  
20 (Rosen col 2, lines 42-49). Therefore, not only is there no reason to combine but Rosen explicitly taught that such exchanges is without the intermediation of the banking system contrary to Jennings which requires such an intermediation.

The examiner did not in this instance Final Action show any reason why the applicant’s  
25 submission above is not persuasive. The examiner further restated that there is no requirement that the motivation must be expressly articulated within the references themselves but as pointed out above, the examiner in rejecting claims 13,34,39 dependent on Rosen by citing Rosen Col 2, lines 42-49 as its motivation.

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As far as claim 13,34,39 the issue here is not only there is no reason to combine (where Rosen teaches away by without using intermediation ) but also where both Rosen and Jennings have NO teaching of using funds deposited from a prepaid card. This inability to reach “prepaid card” is fatal to the examiner’s case. Therefore, not only is obviousness  
5 rejection fails because it lacks prima facie for said claims but it also fails because not all the elements have been found by combining Rosen and Jennings.

Referring to page 4 of instance Final Action letter in view to discussion on claims 33,38 and 43, the examiner maintained his common knowledge to be well known in the art. The  
10 examiner also suggested that the applicant is reading limitations into the claims from the specification and the examiner maintains that the points argued are not recited in the claims themselves.

For completeness, the applicant has reproduced what were submitted previously below:  
15

Beg of Quote

Claims 33,38 and 43

20 The examiner takes official notice that ‘payer is unknown to host server’ is old and well-known. The applicant respectfully ask the examiner to provide support. MPEP § 2144.03

In particular, it appears that the examiner has constructed this to mean anonymous transactions protecting the privacy of transacting parties. The applicant begs to differ.  
25 This element is strictly to claim unknown to host server rather than unknown to payee as counter party of the transaction which is common ( See defunct digicash). In particular where non-prepaid method is used, the host server need to reconcile their accounts so they will know where the encrypted digital tokens came from as to be able to drawn on these accounts, so host server has to know the payer (where it originates). Also see

Rosen discussed this where it draws funds from the depositor's account and encrypting it which means the host server has to know where the encrypted tokens originate. Even if it is old, this combination with the independent claims make it unobvious in view of Rosen and Jennings, viewing the claims as a whole since neither claim prepaid cards.

5

The applicant respectfully submits that said claims are allowable.

End Of Quote.

- 10 The applicant respectfully ask the examiner which limitation is being read into the claims from the specification ? The complete claimed language requires "said payer is unknown to said host server". The applicant states this clearly without importing any limitation and rebutted the examiner's notice that "payer is unknown to said host server" as old and well known. The applicant also challenged the examiner's assertion that this is common by
- 15 pointing to Digicash's methods and the used of tokens in Rosen. Furthermore, MPEP § 2144.03C requires the examiner to response with evidence whereby applicant adequately traverses the examiner's assertion of official notice, the examiner must provide documentary evidence in the next Office action if the rejection is to be maintained. See 37 CFR 1.104(c)(2). It should also be noted that MPEP 2144.03A states that such notices
- 20 should be rare in a Final Rejection. The examiner further states that because the applicant has amended the claim language has made his assertions moot. The applicant respectfully disagrees with this. The amendments only provide by inserting the word "SAID" in front of the words "Host Server" to satisfy an antecedent issue. The examiner did not reason how this could moot the applicant's assertion when plainly that such insertion does not
- 25 change the form and substance of the claim language. The conclusion that such amendment has mooted the applicant's assertion must therefore be rejected as the examiner fails to reason that such amendment has specifically change the form and substance of the claim language.

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The applicant must respectfully submits that the examiner had not taken the most reasonable interpretation of the claims particularly for claims 13,34,39 whereby the reading of prepaid cards could be read into prior arts that clearly fails to show these.

- 5     The applicant refers to para 7 of the instance Final Action Letter at page 5.

The examiner states that claims 26, 36 and 41 are rejected under 35 USC 112 First Paragraph under the ‘enablement requirement’. The examiner contends that using the phrases such as “relating to”, “related to” and “concerning” the applicant fails to denote  
10    in the specification as well as in the claim language how the claimed formula would operate in the absence of a relation to said variables.

The applicant respectfully disagrees with the examiner’s rejection. Firstly, the examiner fails to reason why would one skilled in the art would be concerned with how the claimed  
15    formula would operate in the absence of a relation to said variables. ( See re Moore, 439 F.2d 1232, 169 USPQ 236 (CCPA 1971) at 238-39 – The relevant disclosure inquiry may be summed up as being whether the scope of enablement provided to one of ordinary skill in the art by the disclosure is such as to be commensurate with the scope of protection sought by the claims”. )

20

35 USC 112 First Paragraph requires that the examiner to provide prima facie evidence to show that one skilled in the art will not be able to use the claimed formula without undue experimentation in view of the specification. ( In re Angstadt, 537 F.2d 489, 190 USPQ 214,219 (CCPA 1976)(citing In re Armbruster, 512 F.2d 676, 185 USPQ 153 9CCPPA  
25    1975).

The examiner fails to provide this and instead seek to question how the claimed formula would operate in the absence of a relation to said variables.

Even if one skilled in the art is interested to consider a scenario where the claimed formula would operate in the absence of a relation to said variables and this is not found in the specification, the case in *Union Oil Co. v. Atl. Richfield Co.*, 208 F.3d 989, 997 (Fed. Cir. 2000) states that a claim will not be invalidated on section 112 grounds simply because the embodiments of the specification do not contain examples explicitly covering the full scope of the claim language. (In *arguendo*, assuming an example for operating the claimed formula in the absence of a relation to said variables is not found in the specification)

That is because the patent specification is written for a person of skill in the art, and such a person comes to the patent with the knowledge of what has come before. In *re GPAC Inc.*, 57 F.3d 1573, 1579 (Fed. Cir. 1995). Placed in that context, it is unnecessary to spell out every detail of the invention in the specification; only enough must be included to convince a person of skill in the art that the applicant possessed the invention and to enable such a person to make and use the invention without undue experimentation which in this case includes a claimed formula having relation to said variables.

The applicant refers to para 9 of the instance Final Action Letter at page 6.

In view of claims 26,36,41, the examiner asserts that the words “relating to”, “related to” and “concerning” renders the claims indefinite. The applicant respectfully traverses. As the examiner is aware, the examiner has the burden of showing that the proposed claim language is indefinite to one of skill in the art. ( *Ex-parte Wu*, 10 USPQ 2d 2031,2033 (B.P.A.I 1989). The examiner fails to show this and therefore no *prima facie* is established.

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The applicant refers to para 10 of the instance Final Action Letter at page 6.

5 In view of claims 26,36,41, the examiner asserts that the words “at last in part” renders the claims indefinite. The applicant respectfully traverses. As the examiner is aware, the examiner has the burden of showing that the proposed claim language is indefinite to one of skill in the art. ( Ex-parte Wu, 10 USPQ 2d 2031,2033 (B.P.A.I 1989)). The examiner fails to show this and therefore no prima facie is established. Furthermore, it is more likely the examiner has misread the words which should be “at LEAST in part” instead of  
10 “at LAST in part” which does not make any sense.

The applicant refers to para 12 of the instance Final Action Letter at page 6.

15 In view of claims 34, the examiner asserts that the words “under payer’s control” renders the claims indefinite. The applicant respectfully traverses. As the examiner is aware, the examiner has the burden of showing that the proposed claim language is indefinite to one of skill in the art. ( Ex-parte Wu, 10 USPQ 2d 2031,2033 (B.P.A.I 1989)). The examiner fails to show this and therefore no prima facie is established.

20

The applicant refers to para 11 of the instance Final Action Letter at page 6.

In view of claims 13, 34 and 39 recite the limitation “said payee’s” the examiner asserts there is insufficient antecedent in the claim. The applicant respectfully traverses. In claim  
25 13 as the representative, the first instance of \* **payee’s** \* is found in “ prompting the payer to input payee’s account identifier and fund transfer information” which is followed by “ receiving said payee’s account identifier and said fund transfer information”. Therefore, there is adequate antecedent.

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The applicant refers to para 14 of the instance Final Action Letter at page 7.

5 The examiner asserts that claim 14 and 26 are rejected under 35 USC 101 because the claimed invention is directed to non-statutory matter. The examiner contends that independent claim 13 claims a system, while dependent claim 14 and 26 claims methods.

10 The applicant respectfully traverses as the examiner fails to show how claim 13 is a system claim. Claim 13 is a method claim and the same for claim 14 and 26. Claim 13 begins at pre-amble with “ IN an Internet system having a plurality of computers connected by a network, a user to user payment method.....” The applicant is unsure if the examiner has confused the word IN an internet system to refers to a system given no reasons for his conclusion or even a prima facie case were presented, and therefore in the absence of such, the applicant respectfully ask the examiner to re-examine this again or  
15 provide at least some reasoning to support his conclusion that claim 13 claims a system.

The applicant refers to para 15 of the instance Final Action Letter at page 7.

20 The examiner asserts that claim 35 is rejected under 35 USC 101 because the claimed invention is directed to non-statutory matter. The examiner contends that independent claim 34 claims a system, while dependent claim 35 claims code that is not tangible embodied on a computer-readable medium.

25 The applicant respectfully traverses. Claim 34 explicitly includes “ a computer storage medium for storing executable program code” in the first line of the body of the claim. In its entirety in the first line of the body, it is read as “ a host server having a database to transfer stored funds in any currencies under payer’s control and a computer storage medium for storing executable program code; and”

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The applicant refers to para 16 of the instance Final Action Letter at page 7.

- 5 The applicant respectfully traverses on the ground that this is a non-statutory objection. Further, the examiner provides no evidence where grammar and punctuation errors are an issue to the claimed language of these claims.

Rejection Under 35 USC 103

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Claim 13,34,39

- At page 2 at para 2, the examiner stated that claim 13, 34, 39 have been amended. However a close look at the examiner's analysis appears to show the claims BEFORE  
15 their amendments being entered. This is to say that the current analysis looks like the previous as per Action Letter mailed May 18, 2006. The applicant respectfully ask the examiner to check this particularly when Claim 13, 34, 39 includes limitations such as "prepaid card" which is not found in both Jennings and Rosen.

20

- The examiner provided the reason for Jennings (US 5659165) to combine with Rosen (US 5455407) by asserting Jennings provides direct support to Rosen's disclosure, "  
....there is a need for a system that allows common payor to payee economic exchanges without the intermediation of the banking system, and that gives control of the payment  
25 process to the individual.. " ( Rosen col 2, lines 42-49). The applicant respectfully disagrees as the examiner placed no record in Jennings supporting this. It is clear that Jennings' support the a banking system with transfer being made from one account to another but Rosen also teaches such exchanges is without the intermediation of the banking system. In fact, the key feature of Rosen is to made transfer possible without a  
30 banking network to justify its reduction in transfer fees. This teaching is therefore



irreconcilable with Jennings as Jennings clearly teaches using a banking system to transfer funds beginning by using a bank account. (See Abstract). Therefore, it would not be obvious to combine each other teaching as one support using intermediation of the banking system (Jennings) while the other explicitly teaches to avoid using a banking system (Rosen).

In *MacGinlet v Franklin Sports, Inc* 262 F.3d 1339, 1354 (Fed Cir 2001) (" If references taken in combination would produce a 'seemingly inoperative device, ' we have held that such references teach away from their combination") It is clear that where Rosen teach of interacting with payee and Jennings teach without interacting with payee, it will not be possible for one skilled in the art to combine. Therefore, the applicant respectfully submits that the element "without interacting with payee" while satisfied by Jennings's teaching is made inoperable with Rosen and hence no prima facie case of obviousness has been made out.

Importantly it was not shown by the examiner that why would one skilled in the art would see fit to replace the feature of 'interacting with payee' ( in Rosen ) to one without interacting with payee (in Jennings) . Therefore there was no evidence that had one skilled in the art known 'interacting with payee' posed an disadvantage, he would sought out a different approach as found in Jennings. Nor was there evidence from the examiner to show that one skilled in the art would have combine in view of Jennings, notwithstanding the conflicting teachings. The evidence relied by the examiner to show both teachings seeking to make fund transfer is therefore conclusory and clearly hindsight analysis.

The applicant respectfully submits that said claims are now allowable.

Claim 14, 35, 40

- 5     The examiner asserted that it would be obvious to link said account because it would serve to thwart any possible fraudulent use of an existing user's account upon the pretext of adding more stored value to it and activating a new prepaid card. The applicant submits this 'reasoning' to be conclusory as Rosen has no teaching at all on prepaid cards. (See In re Morris, 127 F.3d 1048, 1054-44 USPQ2d 1023, 1027-28 (Fed Cir 1997))
- 10    (Claims must be given the broadest reasonable interpretation consistent with the specification)

- And if Rosen's module is a read widely to include a prepaid card then there is still no reason for it to be linked as claimed. Firstly, Rosen's funds are drawn from a deposit
- 15    account which obviously is in the name of the user as opposed to our claimed invention where the stored funds are drawn from a prepaid card which has no user identifier (as opposed to card identifier). We distinguish between a card identifier and user identifier here for a prepaid card as it is not known for a prepaid card to have user identifier.
- 20    Secondly, the examiner presented no evidence to show how could linking the account in Rosen thwart any possible fraudulent use of an existing user's account. In fact, the applicant submits that by linking it to an user identifier the risk of fraud is increase and NOT decrease as asserted by the examiner. The reason is simple because while the card is unlinked, the only way to steal the stored money is to steal the card which has a security
- 25    code too difficult for human to remember. Stealing a card is like stealing a wallet which is noticeable.

However, once a card is linked then the security code is useless and now the stored funds is only protected by an user identifier and a password which requires a normal user to

remember. In short, the examiner had not made the case to show that account identifier and passwords could be said to be more secure than a security code found in a prepaid card. Unless this case has been made, the examiner's assertion could only be conclusory.

- 5 The examiner also mentioned 'activation method' to provide stronger protection for Rosen's debit/stored value card because the card user will be assured that only once properly activated by him/herself, will the account associated with the card be accessible for transaction. The applicant respectfully submits that this is conclusory. There is no evidence to show that activation by user which allows the card be accessible for
- 10 transaction also provides stronger protection to the card.

In order to support the examiner's conclusion, there must be showing that unactivated prepaid cards (ie without linking to an account) is less secure. The applicant has already explained above that user identifiers and passwords are not known to be more secure to a

15 string of activation code found on a prepaid card. In fact having the prepaid card by itself is more secure since the only way the funds could be stolen is by stealing the card or discovering the activation code, a task that is more challenging since prepaid cards are often kept safely as compare to applying programs to crack user identifiers and password online.

20 The applicant respectfully submits that said claims are allowable.

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Claims 33,38 and 43

The examiner takes official notice that ‘payer is unknown to host server’ is old and well-known. The applicant respectfully ask the examiner to provide support. MPEP § 2144.03.

- 5 As mentioned above, the applicant again submits that the examiner provide supporting evidence.

The applicant respectfully submits that said claims are allowable.

10 Claims 44,45,46

These claims were amended in the last action and the examiner had also acknowledge this at page 2. However, the examiner’s current response is similar to the last action (ie without the amendments). The applicant respectfully ask the examiner to check these  
15 again.

- The applicant has previously amended the claims to show Point of Sale Terminal (POST) issuing a receipt representative of a prepaid card. There is no evidence to show that a POST will issue a receipt representative of a prepaid card. As for card dispensing  
20 machine while they do issue prepaid cards and even a receipt but is the receipt a representation of the prepaid card ?

- Furthermore, a card dispensing machine is not necessarily a POS as it is unknown for these to be connected to a host server. These card dispensing machine dispense  
25 manufactured prepaid cards and not necessarily a prepaid card on demand. Even if they are old, this combination with independent claims would make it as a whole unobvious. There is no reason for Rosen and Jennings to use/issue prepaid cards. The applicant respectfully submits that said claims are allowable.

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CLAIMS 50,51,52

- The examiner takes official notice that the use of telephone lines for Internet connections is old and well known. However, the applicant submits that in combining with 13,34,39  
5 respectively as a whole the subject matter of an user to user fund transfer using funds deposited from a prepaid card over a telephone network would not be obvious.

CLAIMS 48,49

- 10 The examiner stated to see rejections and citations above. The applicant presumes this means the rejections will be the same as for claims 13,34,39,14,35,40,33,38,43,44,45,46.

- The applicant wish to point out as before that the main element includes the user identifier is different to the prepaid card as most cards including debit/credit cards have  
15 same identifiers to the user. The claims include without using user's bank account to draw the funds which are not obvious in both Rosen and Jennings and that both payer and payee are different persons.

- As the underlying rebuttal is substantially similar to 13 and 14 combined for method class  
20 (similarly for system), the applicant respectfully submits that claims 48 and 49 are allowable. As for obviousness, since the examiner did not specifically point out the specificity then respectfully, the applicant has to submit that prima facie obviousness has not been made out.